

Test Valley Borough Council – Council Tax Support Panel

Notes of the Meeting held at Former Magistrates' Court, Romsey on

Wednesday 21 August 2019 at 11am

Attendance:

Councillor D Baverstock (Chairman)	(P)
Councillor C Dowden	(P)
Councillor N Gwynne	(P)
Carl Whatley – Head of Revenues	(P)

Review of changes made in 2019/20

CW gave an update on the impact of changes made from 2019/20.

Introduction of a 10% minimum payment

The most significant change was the introduction of a 90% cap for most working age claimants. This means around 1,100 households are now required to pay 10% of their Council Tax liability.

The recovery statistics show that a much larger than average proportion of these customers have received reminders due to missed instalments. However, many of these customers have contacted the Council and have made arrangements to pay the balance over the remainder of the year.

The amount paid by customers affected by this change will be monitored throughout the year.

Other changes

The other changes that were introduced in April 2019 were:

- A £30 per week tolerance in income levels before CTS entitlement is recalculated.
- An increase to the minimum amount of entitlement from 50p per week to £1 per week.

The tolerance in income was designed to reduce the number of changes that are needed whenever a customer's circumstances change. This helps to provide certainty to customers and reduce scheme administration costs. This appears to be working effectively in the early stages of the year.

The increase in minimum payment reduces the cost to the Council of administering claims with very low entitlement and also appears to be working well.

Options for scheme changes in 2020/21

The panel considered a range of options for changes to the CTS scheme for 2020/21.

In light of the significant changes that were made in 2019/20, the panel agreed that changes to the scheme for 2020/21 should be targeted at making the application process simpler for applicants and increasing efficiency in the administration of the scheme.

The items considered by the panel are explained below. Officer and panel comments on each of the options are shown in the Annex to the report.

Non-Dependant deductions

The CTS scheme assumes that non-dependant adults living in a property will make a contribution to the household's Council Tax charge. This is done by making a deduction from the amount of CTS that a claimant is entitled to for each non-dependant.

The current arrangements for non-dependant deductions require the Council to obtain, and keep up to date, actual earnings information of the non-dependant. This information is then used to deduct a fixed weekly amount from the claimant's entitlement to CTS.

The option considered would apply a standard deduction in respect of non-dependants, removing the need to obtain and process earnings information. Existing arrangements to make no deduction in respect of pensioners, students, those in receipt of out of work benefits or Universal Credit would be continued.

The panel recommended that a fixed deduction of £4 per week be included in the draft CTS scheme for 2020/21.

Capital levels

The panel discussed the tariff income that is applied to applicants that have between £6,000 and £16,000 in savings.

It was proposed that the threshold for eligibility to the CTS scheme be reduced to £6,000 of savings. This would remove the need to obtain evidence from customers of their savings and to maintain checks on movements in savings.

The panel recommended that a capital threshold of £6,000 should be included in the draft CTS scheme for 2020/21.

Second Adult Rebate

The panel reviewed the second adult rebate element of the existing scheme. This allows a person who would not normally be eligible for CTS to claim up to 25% Council tax discount if they live with someone who meets certain criteria.

There is a very low caseload affected by the part of the scheme, with only 13 households receiving this discount.

The panel recommended that the second adult rebate should be removed from the draft CTS scheme for 2020/21.

Extended payments

The panel identified that this area of the scheme does not apply to anyone currently claiming CTS in Test Valley.

The panel recommended that extended payments should be removed from the draft CTS scheme for 2020/21.

Other options

A number of other options were considered by the panel. These were:

- Making no changes to the scheme for the coming year
- Restricting Council Tax support by Council Tax band
- Increasing the 10% minimum charge to working age claimants

The panel recommended that these options should not be considered further for the 2020/21 CTS scheme.